

May 17, 2016

TO: MEMBERS OF THE SCHOOL BOARD OF PINELLAS COUNTY

FROM: MICHAEL A. GREGO, Ed.D., SUPERINTENDENT

SUBJECT: Request Approval of Issuance of a Ninety (90) Day Notice to Terminate the Charter Agreement with Newpoint Pinellas Academy

BACKGROUND:

On February 23, 2016 Windsor School, Inc. the governing board of Newpoint Pinellas Academy, and the Commissioner of Education for the Florida Department of Education were notified of the school's deteriorating financial condition in accordance with 1002.345, F.S. To date, the school has failed to provide a sufficient corrective action plan. The charter school's governing board has attempted to conduct a financial and operational audit of the school's finances. The management company has failed to provide sufficient information to complete this audit and the school does not have sufficient documentation on file. The information received at this point provides significant financial concerns. On May 4, 2016, the State Attorney's Office in Escambia County indicted Newpoint Education Partners, LLC, the management company for the school, and its subsidiary Epiphany Management Group, LLC, for grand theft, money laundering, and aggravated white collar crime in connection with the management of charter schools in that county. Transactions reviewed as part of the attempted audit raise concerns that similar issues may also exist in Pinellas County. The governing board is in the process of severing ties with Newpoint Education Partners, LLC, however, concerns about financial viability will continue. The District also has ongoing concerns regarding the governing board's failure to properly oversee the school's operations.

STRATEGIC DIRECTION: Student Achievement

ALTERNATIVES:

1. Approve the issuance of a Ninety (90) day Notice to Terminate the Charter Agreement with Windsor Preparatory Academy and, if appealed, direct the Assistant School Board Attorney to refer the request to the Division of Administrative Hearings to conduct a hearing within 60 days pursuant to Florida Statute Section 1002.33(8)(b)2.
2. Do not approve the issuance of a Ninety (90) day Notice to Terminate the Charter Agreement with Windsor Preparatory Academy.

RECOMMENDATION:

Alternative No. 1 is recommended.

RATIONALE:

The school continues to be in a deteriorating financial condition and the District has not been presented with either a sufficient corrective action plan or an audit that demonstrate that the school has sufficient resources to successfully open and operate for the coming school year. In addition, the indictment of the management company, Newpoint Education Partners, LLC and its subsidiary Epiphany Management Group, LLC in Escambia County raises concerns locally as to misuse of taxpayer funds. The District also has ongoing concerns regarding the governing board's failure to properly oversee the school's operations. These deficiencies constitute good cause for termination of the Charter Agreement pursuant to Section 1002.33, Florida Statutes and Section 1.6 of the Charter Agreement.

The District will prioritize the placement of Newpoint Pinellas Academy students into District schools.

FINANCIAL IMPACT:

The school's current enrollment is 91 students; however, it cannot be determined how many of the students currently attending the school will enroll in a District school. The Financial Impact cannot be determined at this time.

DATA SOURCES:

Heather Wallace, Assistant School Board Attorney
Kevin Smith, CPA, Associate Superintendent, Finance and Business Services
Richard Wolfe, Director, Charter Schools and Home Education
Amy Hayes, Senior Coordinator, Charter Schools and Home Education

SUBMITTED BY:

Lori Matway, Associate Superintendent, Student and Community Services